Balance sheets of ICICI/IDBI

3137. SHRI SANJAY NIRUPAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the Business Standard, dated the 29th March, 2002 with the headline "ICICI, IDBI to provide Rs. 5000 crore to clean up balance sheets";

(b) if so, what are the details in this regard; and

(c) what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. Both the institutions are contemplating to make the provision.

(c) The reason for ICICI making provision is reported to reflect the impact of fair valuation of its assets if the value of assets is determined to be less than their recorded value in the books of ICICI. IDBI is reported to be making provision to improve its rating.

Income-tax exemptions on investments in backward areas

3138. SHRI K.B. KRISHNAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to continue exempting investments in backward areas from income-tax provisions;

(b) whether there has been no substantial inflow of investments to backward areas as anticipated despite this incentive;

(c) whether the Advisory Group on Tax Policy and Administration for the Tenth Five Year Plan has commented that such exemptions serve no useful purpose of generating economic development in backward areas; and

(d) if so, whether Government propose to withdraw such exemptions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) The Planning Commission had constituted an Advisory Group on Tax Policy and Administration for the Tenth Five Year Plan. The Advisory Group had submitted its report and gave various recommendations, which were considered as part of the Budget exercise. The decision of the Government with regard to these recommendations would be reflected in the Finance Bill as passed by the Parliament.

Non-modvatable tax on bicycle industry

3139. SHRI K.B. KRISHNAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) the reasons for choosing the bicycle industry to impose a punitive 4 per cent non-modvatable excise tax on non-motorized bicycles which add upto 12 per cent on the selling price of the common man's vehicle;

(b) whether far eastern countries like China, Japan, South Korea encourage the habit of cycling for better health and contain pollution in urban areas aggravated by motor vehicles; and

(c) whether the small scale units arc exempted from such levy of excise total turnover being less than Rs. 1.00 crore, units upsetting the revenue estimates of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) In this year's budget, the Government has imposed a nominal excise levy of 4 per cent *ad valorem* (without cenvat credit facility) on a number of commodities including bicycles. This has been done to gradually widen the tax base.

(b) Government have no information on this issue.

(c) Excise exemption upto Rs. 1 crore is applicable to bicycle subject to specified conditions, as part of general policy for small scale units.